

KRONENBERGER ROSENFELD, LLP

Karl S. Kronenberger (Bar No. 226112)

Jeffrey M. Rosenfeld (Bar No. 222187)

150 Post Street, Suite 520

San Francisco, CA 94108

Telephone: (415) 955-1155

Facsimile: (415) 955-1158

karl@KRInternetLaw.com

jeff@KRInternetLaw.com

Attorneys for Defendants Omar Qazi
and Smick Enterprises, Inc.

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

AARON GREENSPAN,

Plaintiff,

v.

OMAR QAZI, et al.,

Defendants.

Case No. 3:20-cv-03426-JD

**DECLARATION OF KARL S.
KRONENBERGER IN SUPPORT OF
DEFENDANTS OMAR QAZI AND
SMICK ENTERPRISES, INC.'S
SPECIAL MOTION TO STRIKE
CLAIMS UNDER CALIFORNIA'S ANTI-
SLAPP STATUTE, CIV. PROC. CODE
§425.16, AND MOTION TO DISMISS
THIRD AMENDED COMPLAINT
UNDER FED. R. CIV. P. 12(B)(6)**

Time: TBD
Date: TBD
Before: The Hon. James Donato
Ctrm.: 11, 19th Floor

I, Karl S. Kronenberger, declare as follows:

1. I am an attorney admitted to practice law in the State of California and before this Court. I am a partner at the law firm of Kronenberger Rosenfeld, LLP, counsel of record for Defendants Omar Qazi and Smick Enterprises, Inc. (the “Smick Defendants”) in this action. Unless otherwise stated, I have personal knowledge of the facts stated herein.

2. Attached hereto as **Exhibit A** is a true and correct copy of an email, dated August 7, 2019, from Plaintiff to various recipients, including Lora Kolodny, Lora.Kolodny@nbcuni.com; Dana Hull, dhull12@bloomberg.net; Russ Mitchell, russ.mitchell@latimes.com; and Linette Lopez, llopez@businessinsider.com. Plaintiff attached Exhibit A as an exhibit to his Second Amended Complaint [D.E. No. 70-1], and my office obtained it from Plaintiff’s filing.

3. Attached hereto as **Exhibit B** is a true and correct copy of an email, dated October 8, 2019, from Plaintiff to various recipients, including Lora Kolodny, Lora.Kolodny@nbcuni.com; Russ Mitchell, russ.mitchell@latimes.com; and Montana Skeptic, montana.skeptic@gmail.com. Plaintiff attached Exhibit B and Elon Musk’s purported responses to his Third Amended Complaint [D.E. No. 103-4], and my office obtained it from Plaintiff’s filing.

4. Attached hereto as **Exhibit C** is a true and correct screenshot of an article dated August 31, 2007, published by the New York Times, and titled “The tangled history of Facebook.” Exhibit C was screen-captured from the following URL on February 9, 2021:

- <https://www.nytimes.com/2007/08/31/business/worldbusiness/31iht-facebook.5.7340806.html>

5. Attached hereto as **Exhibit D** is a true and correct screenshot of an article dated February 1, 2012, published by the Hollywood Reporter, and titled “Columbia Pictures Fights Man Claiming He Was Omitted From ‘The Social Network.’” Exhibit D was screen-captured from the following URL on February 9, 2021:

- <https://www.hollywoodreporter.com/thr-esq/social-network-lawsuit-mark-zuckerberg-aaron-greenspan-286388>

Exhibit D states, in part:

“Greenspan says he created the original college social networking website, and before Zuckerberg or the Winklevii even got started, described his system in an e-mail to fellow Harvard classmates as “the Face Book.” In 2007, he showed off old e-mails to the NYT to prove his claims. He wrote about his experience and the whole early Facebook saga in an unpublished autobiography entitled “Authoritas: One Student’s Harvard Admissions.”

Now, in a Massachusetts federal court, Greenspan is fighting Columbia, Random House and author **Ben Mezrich** on a host of allegations, but perhaps the most unusual and audacious one is a claim that the film studio committed what the plaintiff is calling “defamation by omission.” (bold in original)

6. Attached hereto as **Exhibit E** is a true and correct screenshot of an article dated June 5, 2019, published by BBC News, and titled “Zuckerberg classmate launches attack in front of MPs.” Exhibit E was screen-captured from the following URL on February 23, 2021:

- <https://www.bbc.com/news/technology-48526018>

7. Attached hereto as **Exhibit F** is a true and correct screenshot of an article dated March 19, 2019, published by CNBC, and titled “Tesla and Elon Musk face dozens of lawsuits and investigations far beyond the SEC court fight.” Exhibit F was screen-captured from the following URL on February 24, 2021:

- <https://www.cnbc.com/2019/03/19/tesla-and-elon-musk-lawsuits-overview.html>

My office removed the portion of the Exhibit F screenshot that did not contain the article to save space. Exhibit F states the following:

“Analysis by legal research firm Plainsite found at least 38 securities actions filed against Tesla or Elon Musk (or both) since 2010, the year the company went public. Plainsite – which founder Aaron Greenspan describes as a “legal transparency initiative” – scans public records across the US legal system to document the volume and types of litigation effecting major U.S. corporations. (Greenspan personally holds puts in Tesla today.)

By way of comparison, Greenspan says he found only 1 securities lawsuit against Ford Motor Company filed since 2016, and only 4 since 1996, although this does not include all Ford subsidiaries.

Along with the securities litigation, Plainsite also found 43 workers’ rights cases, 14 deposit theft cases, and 20 vendor and government non-payment cases filed against Tesla since it went public in 2010. Of the 20 non-payment cases, 6 were from tax agencies in different states, Greenspan said.



Tesla also faces dozens of lawsuits around specific car-related issues, including allegations that Bluetooth doesn't work, that Autopilot has caused Tesla cars to swerve into the wrong lanes and more. Most car-specific lawsuits against Tesla focus on the Model X. But Greenspan expects Model 3-related lawsuits to grow as the company sells more of these electric sedans.

Greenspan also observed, "Since the end of 2018, the records show Tesla has been breaking with a lot of bigger law firms, like Morrison & Foerster, Snell & Wilmer, and of course, Williams & Connolly. We don't know if that's because the firms fired their client, or or Tesla fired its firms, for example, to save money. But the fact they all seemed to change up around the same time suggests Tesla slashed them for budgetary reasons."

8. Attached hereto as **Exhibit G** is a true and correct screenshot of an article published on Ars Technica titled "Elon Musk taunts Tesla critics as stock soars to new highs." Exhibit G was screen-captured from the following URL on February 3, 2021:

- <https://arstechnica.com/cars/2020/07/elon-musk-taunts-tesla-critics-as-stock-soars-to-new-highs/>

Exhibit G states, in part:

"The primary villains in Tesla's mythology are "shorts": investors who short-sell the company's stock in hopes of profiting from a falling price. CEO Elon Musk has regularly taunted these critics about the company's rising stock price. On Sunday, Musk gleefully announced that Tesla was selling "limited edition short shorts" on its website."

9. Attached hereto as **Exhibit H** is a true and correct screenshot of the topmost portion of the Twitter feed for the user Whole Mars Catalog @WholeMarsBlog. Exhibit H was screen-captured from the following URL on February 3, 2021:

- <https://twitter.com/wholemarsblog?lang=en>

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.


Executed on March 12, 2020

s/Karl S. Kronenberger

Karl S. Kronenberger



Exhibit A

From: Aaron Greenspan aaron.greenspan@PLAINSITE.ORG 
Subject: Additional Questions
Date: August 7, 2019 at 3:27 PM
To: Elon Musk erm@tesla.com
Cc: Lawrence Fossi lawrence.fossi@rahrenterprises.com, Antonio Gracias agracias@valorep.com, Brad W. Buss brad.w.buss@gmail.com, Ira Ehrenpreis iehrenpreis@tesla.com, Ira Ehrenpreis ira@dblparkers.vc, Ira Ehrenpreis ira@ehrenpreis.com, Robyn Denholm robyndenholm@icloud.com, Steve Jurvetson sj@dfj.com, Kathleen Wilson-Thompson kathlee907@aol.com, Kathleen Wilson-Thompson kathleen.wilson-thompson@walgreensbootsalliance.com, Larry Ellison larry.ellison@oracle.com, James Murdoch jrm@newscorp.com, James Murdoch jrm@bskyb.com, Kimbal Musk kimbalmusk@gmail.com
Bcc: Lora Kolodny Lora.Kolodny@nbcuni.com, Dana Hull dhull12@bloomberg.net, Mitchell, Russ russ.mitchell@latimes.com, Linette Lopez llopez@businessinsider.com, Paul Huettner phuettner@gmail.com

Present and Former Tesla Board Members:

I have a few additional unrelated questions. I hope you don't mind.

Tesla has numerous fans, and understandably some are more vocal than others. On Saturday, August 3rd, I received two text messages and a pornographic fax collectively threatening to file a false police report accusing me of harboring child pornography, with the supposed goal of having me arrested. Based on IP address logs and his own now-deleted admission, I believe these messages all originated from Omar Qazi of Torrance, CA and Santa Clara, CA, in retaliation for exposing his improper use of Tesla Autopilot (<https://www.youtube.com/watch?v=BkXd97kOuPs>) and violation of traffic laws. Mr. Qazi is a loyal fan of Tesla and Elon Musk, and writes prolifically in support of Tesla under the moniker of "Steve Jobs" at https://twitter.com/tesla_truth. Based on photos he has posted (see below), Mr. Qazi has in the past been invited to some of Tesla's exclusive events, which suggests he has a relationship with Tesla, or someone who works for Tesla. In addition, the same fax number used to send me pornography was also used to make an actual threat on another person's life in December. This has all been reported to the FBI, as several crimes are involved in what I just described—all carried out on Tesla's behalf.

Whether or not one admires your cars, hates your cars, is long the stock, or is short the stock, this kind of behavior is A) unlawful and B) unacceptable. My questions are:

1. Does Tesla have any relationship, direct or indirect with Mr. Qazi or other social media "influencers?"
2. How is it that Mr. Qazi was invited to Tesla events?
3. Will there be any relationship going forward?
4. Does Tesla compensate social media influencers with cash or in-kind in any way—including through a contractor such as a PR firm—and is there any monitoring of these individuals' behavior?
5. Why has your legal team allowed third parties such as Mr. Qazi to use the Tesla registered trademark? (See Mr. Qazi's Twitter handle above: @tesla_truth, but see also, for example, @TeslaOpinion.)

Thank you for your time. I realize you are all extremely busy, but as you can surely appreciate this is a serious matter.

Sincerely,

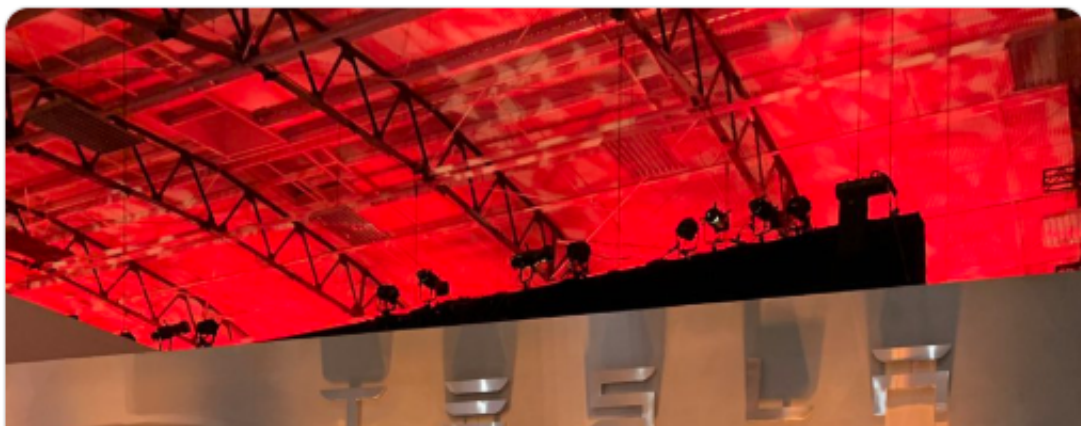
Aaron

PlainSite | <https://www.plainsite.org>



Omar Qazi  @omarqazi · Mar 14
 At @Tesla checking out the Model Y SUV

Check it out at livestream.tesla.com





2



6

Exhibit B

From: Aaron Greenspan greenspan@post.harvard.edu
Subject: Notice of Intent to Sue and Evidence Preservation Notice
Date: October 9, 2019 at 3:34 PM
To: Elon Musk erm@tesla.com, Jonathan Chang jchang@tesla.com, Tim Hughes tim.hughes@spacex.com, Omar Qazi omar@smick.com
Cc: James Gleeson james.gleeson@spacex.com, Erin Schneider schneidere@sec.gov
Bcc: Lora Kolodny Lora.Kolodny@nbcuni.com, Mitchell, Russ russ.mitchell@latimes.com, Montana Skeptic montana.skeptic@gmail.com

Gentlemen:

I write to inform Elon Musk, Excession LLC, Space Exploration Technologies Corporation, Tesla, Inc. (the "Musk Entities") and Omar Qazi and Smick Enterprises, Inc. (the "Musk Affiliates") that I intend to sue over claims including but not necessarily limited to libel, defamation, securities fraud, and violations of California Business and Professions Code § 17200. I will file suit against the aforementioned parties if they do not **FIRST** export and for discovery purposes preserve the contents of and **THEN** shut down all social media accounts that do not presently disclose that authors are now or have been, at any point, paid employees of the Musk Entities within 7 days after receiving this letter. (This includes, but is not limited to, the "@tesla_truth" Twitter account.) I will also file suit if it appears that new social media accounts are formed in place of those that are deleted.

I have reason to believe that the above parties have electronic information that may contain evidence critical to the above matter. You must preserve any information or documents that might lead to relevant evidence in this planned litigation against some or all of the aforementioned parties.

Please note that clearly defined laws and rules bar the destruction of evidence. These rules apply both to physical documents and electronic evidence and any other information created or stored in digital form that is relevant to a case.

Please also be advised that my formal discovery requests, when served and where appropriate, will necessarily include documents, records, and other computer-generated information in native, electronic format, whether structured or unstructured, and may further include, without limitation, any relevant computer, network, or system environments such as operating systems, applications, encrypted chats, middleware or scripts, all as generated and used by the Musk Entities and Musk Affiliates in the regular conduct of their everyday activities. Moreover, this includes instances where any evidence in the form of a handwritten, non-text, or other non-machine-readable original has been input into any word-processing, image capture, other electronic information retention device or application (irrespective of whether such input and storage of such input took place on any networked computer, non-networked computer, laptop, or mobile data generating device, including but not limited to PDAs, smartphones, and tablets). The Musk Entities and Musk Affiliates are hereby notified that both original paper documents as well as relevant computer-generated information derived from such original paper documents will be requested, and should be preserved.

I also write to notify the Musk Entities and Musk Affiliates that they have a duty for the length of this matter to suspend all routine document retention policies and processes to the extent they involve the destruction of evidence that is or is likely to be considered relevant in this matter, irrespective of format (paper, electronic, or other) and location.

For purposes of this notice, Electronically Stored Information (ESI) means computer-generated data or information of any kind and from any source, whose temporal existence is evidenced by its storage in, or on any electronic medium, wherever located, now existing or developed in the future, and irrespective of whether such medium is real, virtual, or otherwise.

This letter also serves to notify the Musk Entities and Musk Affiliates that they must preserve all existing sources of digital evidence that are not presently used or that may have been deleted from active systems, including but not limited to Twitter. Lastly, the Musk Entities and Musk Affiliates have a continuing obligation to preserve evidence that may come into existence after the date of this letter, or which may exist now or in the future but of which they may not have current knowledge.

Please contact me by e-mail at greenspan@post.harvard.edu or at +1 415 670 9350 to resolve this matter. (Any telephone conversation will be recorded.)

Thank you for your immediate attention.

Aaron

From: **Elon Musk** erm@tesla.com
Subject: Re: Notice of Intent to Sue and Evidence Preservation Notice
Date: October 9, 2019 at 3:48 PM
To: Aaron Greenspan greenspan@post.harvard.edu
Cc: Jonathan Chang jchang@tesla.com, Tim Hughs (SpaceX) Tim.Hughes@spacex.com, Omar Qazi omar@smick.com, James Gleeson James.Gleeson@spacex.com, Erin Schneider schneidere@sec.gov

Does the psych ward know you have a cell phone? Just curious.

| On Oct 9, 2019, at 3:34 PM, Aaron Greenspan <greenspan@post.harvard.edu> wrote:

From: **Elon Musk** erm@tesla.com
Subject: Re: Notice of Intent to Sue and Evidence Preservation Notice
Date: October 9, 2019 at 3:48 PM
To: Omar Qazi omar@smick.com
Cc: Aaron Greenspan greenspan@post.harvard.edu, Jonathan Chang jchang@tesla.com, Tim Hughs (SpaceX) Tim.Hughes@spacex.com, James Gleeson James.Gleeson@spacex.com, Erin Schneider schneidere@sec.gov



| On Oct 9, 2019, at 3:48 PM, Omar Qazi <omar@smick.com> wrote:

Exhibit C

The tangled history of Facebook

By John Markoff

Aug. 31, 2007

PALO ALTO, California — Mark Zuckerberg is considered the founder of Facebook, the popular social networking Web site estimated to be worth upwards of \$1 billion.

Two Harvard classmates have long claimed that Zuckerberg stole the idea from them, the founders of ConnectU, and are suing him in U.S. district court in Boston.

But then there is Aaron Greenspan, yet another Harvard classmate. Lost in the glare of Zuckerberg's meteoric rise after founding the Web site, and the more recent acrimonious lawsuit over whether he stole the idea, is the apparent fact that Greenspan actually created the original college social networking system, before either side in the legal dispute. And he has the e-mails to prove it.

As a Harvard student in 2003 - six months before Facebook was started and eight months before ConnectU went online - Greenspan established a simple Web service that he dubbed houseSYSTEM. It was ultimately used by several thousand Harvard students for a variety of online college-related tasks. They included Zuckerberg, who was briefly an early participant.

An e-mail message, circulated widely from Greenspan to Harvard students on Sept. 19, 2003, describes the newest feature of houseSYSTEM as "the Face Book," an online system for quickly locating other students. The date was four months before Zuckerberg started his own site, originally "thefacebook.com." Greenspan retained his college e-mails and provided The New York Times with copies of his communications with Zuckerberg.

Later the two students, both of whom graduated in 2004, exchanged e-mail messages about their separate projects. When Greenspan asked what Zuckerberg was planning and suggested that the two integrate their systems, Zuckerberg responded, a month before his own service went online: "I actually did think about integrating it into houseSYSTEM before you even suggested it, but I decided that it's probably best to keep them separated at least for now."

Despite Greenspan's entrepreneurial ambitions, it was Zuckerberg who was the first to move to Silicon Valley, raising venture capital and eventually transforming Facebook from a social networking site for U.S. college students into one of the fastest-growing Internet sites

for both social and business contacts.

Indeed, Greenspan, who is now 24 and last year also moved to Silicon Valley, appears to be an example of what is a high-tech truism: establishing who was first with an idea is often murky at best, and it is frequently not the inventor who is the ultimate winner.

Zuckerberg declined to be interviewed, saying through a spokeswoman that he was not sure how to respond. He did not dispute the chronology of events or the authenticity of Greenspan's e-mails. Zuckerberg is seeking to dismiss the UConnect suit.

Greenspan said that Zuckerberg's lawyer contacted him this year in connection with the ConnectU lawsuit but that he had declined to serve as a witness, fearing that he would become embroiled in the legal battle.

During an interview at a Bay Area café this week, Greenspan said he was now mostly at peace with the apparent fact that Zuckerberg would probably be the first Harvard '04 graduate to make a billion dollars.

If Zuckerberg did borrow some of Greenspan's concepts, he may simply have been working in a grand Harvard tradition. After all, it was a young Harvard dropout, William Gates, and his classmate Paul Allen, who almost three decades earlier copied a version of the Basic programming language, designed by two Dartmouth college professors, to jump-start the company that would become Microsoft.

"I've had a long time to think about this and I'm not as bitter as I was a year ago," Greenspan said. "Things like this aren't surprising to me anymore."

Still, he wants to have the last word.

He has described the events that preceded the original creation of houseSYSTEM, ConnectU and Facebook in "Authoritas," a 306-page unpublished manuscript about his adventures and misadventures as a college student.

"This book is partly a search for justice," he wrote in the introduction. "You don't write an autobiography in your early twenties unless there's something you need to get off your chest."

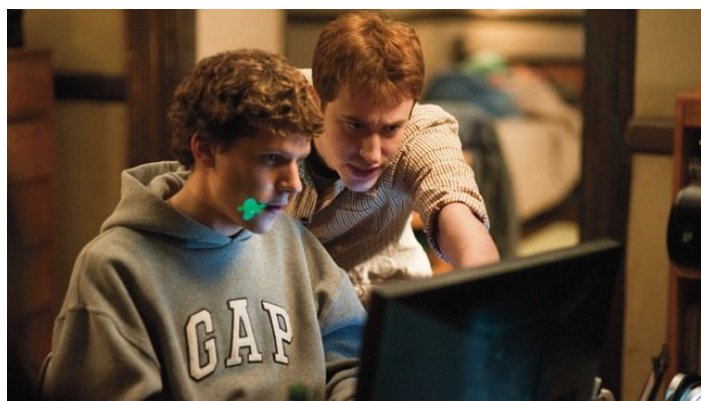
Exhibit D

ADVERTISEMENT

FEBRUARY 01, 2012

9:58am PT by Eriq Gardner

Columbia Pictures Fights Man Claiming He Was Omitted From 'The Social Network'



Columbia Tristar



Today is the highly-anticipated day when Facebook files for its initial public stock offering. The documents will reveal key details about the popular social networking website, including who owns stock in the company already, how much revenue Facebook generates, and what is the company's true market value.

Watching on the sidelines will be various individuals who believe they should have participated more in the financial

success of the company, including the now-famous **Winklevoss** twins, who according to [one report](#), could own stock as part of their settlement that is worth as much as \$450 million.

Anybody who has seen *The Social Network* knows *that* story, but how about the tale of **Aaron Greenspan**?

PHOTOS: 18 of Hollywood's Outrageous Entertainment Lawsuits

Who's he? Once profiled in *The New York Times* as a former Harvard student who had his own claim as being the true genius behind Facebook, Greenspan is now involved in a dispute with Columbia Pictures that alleges he was defamed by being left out of the award-winning film about Facebook's origins.

Greenspan says he created the original college social networking website, and before Zuckerberg or the Winklevii even got started, described his system in an e-mail to fellow Harvard classmates as "the Face Book." In 2007, [he showed off](#) old e-mails to the NYT to prove his claims. He wrote about his experience and the whole early Facebook saga in an unpublished autobiography entitled "Authoritas: One Student's Harvard Admissions."

Now, in a Massachusetts federal court, Greenspan is fighting Columbia, Random House and author **Ben Mezrich** on a host of allegations, but perhaps the most unusual and audacious one is a claim that the film studio committed what the plaintiff is calling "defamation by omission."

Defamation, of course, is the tort that addresses a person's injured reputation upon someone else's harmful statements. Can one be defamed by things that are *not* said? Maybe. There have been a handful of cases that have suggested that omitting facts in published work can be misleading and draw readers/viewers into harmful inferences ([see this](#) or [see this](#)).

But Greenspan's claim goes one step further.

Earlier this month, Columbia filed a motion to dismiss Greenspan's lawsuit. The studio responded to the omission claim this way:

"Nothing about the defamation by omission line of cases suggests that the allegedly defamatory statements need not be of and concerning the plaintiff. Here the Complaint alleges defamation against Columbia on the ground that plaintiff is not a character in Columbia's film at all. Because *The Social Network*

is not 'of and concerning' Greenspan, the Complaint fails to state a cause of action against Columbia for defamation."

There's more to this story.

Greenspan is also claiming that the movie infringed the copyright on his autobiography. He says that he sent his manuscript to Random House, which rejected it, before the publishing company signed a book deal with Mezrich for *The Accidental Billionaires*. That's the same book that was adapted by **Aaron Sorkin** into his Oscar-winning screenplay for *The Social Network*.

The copyright infringement allegation on a movie that tells the story of an alleged copyright infringement is bringing a whole new level of meta to the legal system. For instance, here's Columbia's mind-bending defense of a now-famous scene where Harvard president **Lawrence Summers** meets Tyler and Cameron Winklevoss:

"The allegation that a scene in Columbia's film is 'based on' a scene in Mezrich's book, which in turn bears similarities to descriptions in Greenspan's book, is not the same as an allegation that Columbia's film is substantially similar to Greenspan's book."

One final point on all of this.

Copyright infringement claims against studios and publishers are flourishing, and now command a great deal of press attention, but often the financial factors seem to overshadow everything else. By connecting defamation and copyright, Greenspan perhaps shows how *pride* plays a large motivating factor in bringing these kinds of lawsuits. It certainly would explain why the Winklevoss twins, who are already rich and have spent years in court without too much success, are still pursuing **Mark Zuckerberg**. The U.S. Copyright Office is currently [considering](#) the establishment of a small claims court. Might the answer for such a court be allowing plaintiffs to pursue credit instead of rich financial rewards?

E-mail: eriagardner@yahoo.com

Twitter: [@eriagardner](#)

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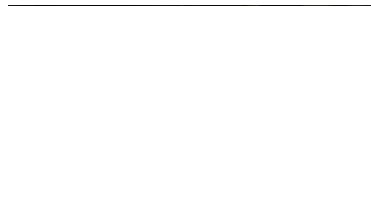


Exhibit E

Exhibit F



The New York Times

It's a crucial time to be informed.


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VIEW OFFER

TECH

Tesla and Elon Musk face dozens of lawsuits and investigations far beyond the SEC court fight

PUBLISHED TUE, MAR 19 2019-2:21 PM EDT | UPDATED TUE, MAR 19 2019-2:39 PM EDT



Lora Kolodny
@LORAKOLODNY

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- KEY POINTS
- The Securities and Exchange Commission's motion to hold Elon Musk in contempt of court is one of many legal woes afflicting the Tesla and SpaceX CEO today.
 - Tesla regularly deals with requests for information, or subpoenas, from regulators and government authorities at the federal, state and international level, according to its 2018 annual report.
 - Legal research platform Plainsite found at least 38 securities actions filed against Tesla or Elon Musk (or both) since 2010, the year it went public-- a high number versus other U.S. automakers over the same period.



Engineer and tech entrepreneur Elon Musk of The Boring Company talks about constructing a high speed transit tunnel at Block 37 during a news conference on June 14, 2018 in Chicago, Illinois.

Joshua Lott | Getty Images

Tesla and CEO Elon Musk are facing dozens of lawsuits and investigations, according to public filings.

The costs of defense and settlements burden the car maker financially at a time when Tesla is already [cutting headcount](#), [closing stores](#) and [delaying loan repayments](#). No doubt Tesla would rather spend its money to improve its service, set up manufacturing lines to make the Model Y (its forthcoming compact SUV), or to build out its Shanghai Gigafactory.

Among Tesla's most recent legal woes, the Securities and Exchange Commission has filed a motion to hold Musk in contempt of court. The financial regulators argue that Musk violated the agreement [they finalized with him and Tesla in October 2018](#) requiring the CEO to submit his tweets for review by the company's in-house counsel if they contained material business information and could potentially affect the company's stock price.

Musk is represented in this matter by John C. Hueston, formerly the lead prosecutor for the federal trial of Enron's Jeffrey Skilling.

Beyond the contempt case, here are some of the other cases and investigations Tesla and Musk are facing that could most impact the company.

- [NHTSA and NTSB](#) regularly investigate crashes involving Tesla vehicles and the use of "Autopilot" features. These agencies initiated new investigations in March 2019, after another Tesla-involved incident proved fatal for a Model 3 driver who collided with a semi-trailer in [Delray Beach, Florida](#).
- According to a [Department of Justice](#) statement, a former Tesla employee named Salil Parulekar was indicted in November 2018 for allegedly embezzling \$9.3 million from Tesla by diverting payments from one supplier to another. The potential case, which hasn't moved past the indictment, could reveal more about troubles with Tesla's supply chain.
- Two former Tesla security employees, [Karl Hansen](#) and Sean Gouthro, filed whistleblower complaints via the law firm Meissner Associates to the SEC. They claim, among other things, that Tesla [spied on workers](#), and covered up theft and narcotics trafficking at its battery plant in Sparks, Nevada.
- A former employee, [Marcus Vaughn](#), is pursuing a class-action lawsuit against Tesla in California alleging that the company ignored black employees' reports of rampant racism. Tesla is trying to compel arbitration, and the plaintiff's lawyers say they are fighting Tesla's motions.
- The National Labor Relations Board filed a [complaint in August 2018](#) accusing Musk of violating labor laws with a tweet on May 20 that employees wouldn't have stock options if they formed a union.
- Tesla-owned SolarCity has been the subject of multiple SEC investigations dating back to 2012, according to [Probes Reporter](#), a firm that publishes FOIA research for investors. (As of May 2108, SolarCity was still under at least one SEC investigation, said Probes Reporter CEO John P. Gavin.)
- Musk is being [sued by spelunker Verne Unsworth](#), whom Musk claimed without evidence was a pedophile and child rapist. Musk lobbed those dramatic accusations at Unsworth after the cave diver questioned the Musk's attempts to aid in the rescue of a Thai boys' soccer team. Unsworth was part of the successful rescue effort and was critical of Musk's approach.
- In a Delaware Chancery Court, shareholders are suing Tesla alleging that the company's [acquisition of SolarCity in 2016](#) was improperly handled by the board, benefitted six out of seven of Tesla's then-board members, and was ultimately a detriment to the company and its minority shareholders.

Other lawsuits

Analysis by legal research firm Plainsite found at least [38 securities actions](#) filed against Tesla or Elon Musk (or both) since 2010, the year the company went public. Plainsite -- which founder Aaron Greenspan describes as a "legal transparency initiative" -- scans public records across the US legal system to document the volume and types of litigation effecting major U.S. corporations. (Greenspan personally holds puts in Tesla today.)

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Tesla declined to comment.




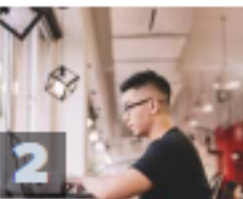



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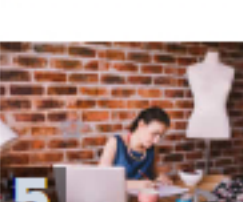
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TOO \$3XY FOR MY CAR —

Elon Musk taunts Tesla critics as stock soars to new highs

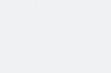
Tesla, valued at \$250 billion, is the world's most valuable automaker.

TIMOTHY B. LEE · 7/7/2020, 7:53 AM



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Tesla's stock leapt above \$1,400 for the first time on Tuesday morning—a nearly 50 percent increase over the price just a week earlier. As of publication time, Tesla's stock has slumped a bit to around \$1,380. That's still more than the stock was worth at any time before today and a six-fold jump from Tesla's share price a year earlier.

The primary villains in Tesla's mythology are "shorts": investors who short-sell the company's stock in hopes of profiting from a falling price. CEO Elon Musk has regularly taunted these critics about the company's rising stock price. On Sunday, Musk gleefully **announced** that Tesla was selling **"limited edition short shorts"** on its website.

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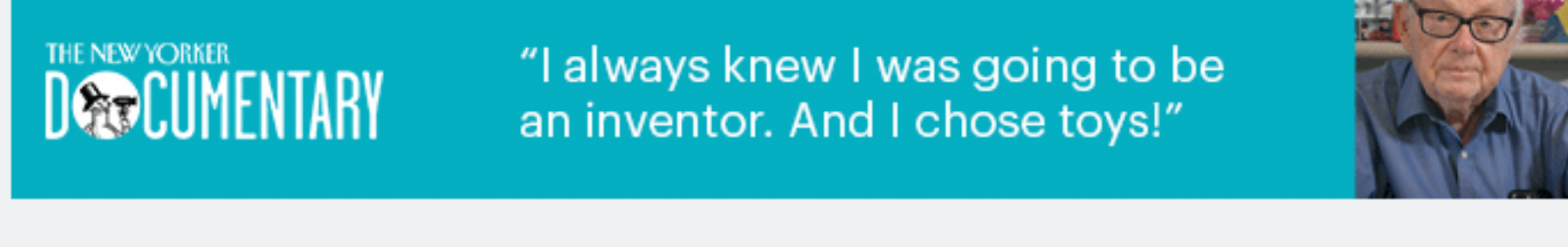
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The shorts are red with gold trim, with a small Tesla logo on the side. "S3XY" is emblazoned across the back in large type. The shorts cost **"only \$69.420,"** Musk wrote. As I write this on Tuesday morning, the shorts are sold out.

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Tesla's latest rally was kicked off by **strong delivery numbers**, announced last week, for the second quarter. Tesla's deliveries were about 5-percent lower than their level a year earlier. Ordinarily, that would be nothing to celebrate. But it's a strong showing compared to other car companies, most of which saw quarterly sales decline by double digits, year over year, due to the coronavirus pandemic.

Last week, Tesla became the **most valuable car company on Earth** when its market value blew past Toyota. Wall Street now values Tesla at \$250 billion, compared to \$205 billion for Toyota. That despite the fact that Tesla's manufacturing capacity is a small fraction of its established rivals. Tesla sold around 360,000 cars in 2019. Toyota **sold 10.7 million**.

But Tesla has big expansion plans. The company recently opened a factory in China and has plans to open a German factory in the next couple of years. Rumors indicate that Tesla is close to announcing a **fourth factory** in Texas. Tesla will need more manufacturing capacity to build the company's growing lineup of vehicles, including the Model Y—introduced earlier this year—the Cybertruck, and an updated edition of Tesla's Roadster sports car—both due out in the next year or two.

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Words n' stuff wrote:

Like, okay, Tesla is "the worlds most valuable auto manufacturer", but they don't make the most cars, or the highest-quality cars, or the only all-electric cars. So what does being the most-valuable company mean for, you know, actually producing things? What's it based on and what does it actually do?

Some of it is surely irrational. However, just as there are bulls who are overly shallow and casual in choosing to buy, Tesla also has real moats that a lot of critics are overly dismissive of. It's not in fact trivial for existing car manufacturers to "just" switch to electric, and by living and breathing it for around 17 years now Tesla has developed real core competencies and expertise. As always there are many devils in the details, from scaling battery production to squeezing the most miles out of every kWh to widespread high speed charging networks. There is also the classic Innovator's Dilemma: existing manufacturers have enormous amounts of capital and expertise sunk into entire realms of ICE tech that by definition switching to electric will make obsolete, but the electric market started quite small. And ICE is still making them good money. Even if it's "only" a soft problem, soft problems have historically been frequently extremely difficult to deal with. Tesla has helped bootstrap through initiatives like their whole power infrastructure arm, which has helped given them further battery demand scale in an entirely different market segment.

None of this makes them unassailable or uncatchable, but it's not nothing at all. And there is a genuine tipping point risk for existing car manufacturers: at some point there are sufficient density of charging, scale and thus economics of electric production, that suddenly the market is clamoring for them. And worse, some of that could work the other way against ICE: the entire fossil fuel production chain also represents absolutely fantastic sums of capital and operational expenditure. Nobody can just take a barrel of crude and put it into a standard car. Refineries alone for example are **not** cheap, with costs in the billions. Same with the whole distribution infrastructure. The reason that only translates to ~\$2/gal (in the US at least) is that it's amortized across hundreds of millions of drivers. But there is a real risk that at some point when enough of them go electric suddenly the virtuous circle reverses and becomes a death spiral until it reaches a new equilibrium. High fixed costs must be split amongst fewer people, which raises prices at the pump no matter what the price of crude is (or causes some areas to go out of business entirely and become fuel deserts), which in turn makes the economics even more favorable towards electric, which encourages more people to switch away, etc. etc.

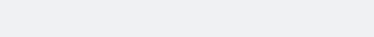
I have no idea what Tesla's "true" worth is and I'm not an investor (unfortunately, as it's turned out!) But there have been disruptions before where everyone dismissed the "tiny insignificant" new guys until they ate everyone's lunch. And Tesla has diversity across a lot of big growth areas. If you not unreasonably believe that at some point every single car will be an electric car and most of the electrical infrastructure will be renewable based and that the advantages of high speed grid stabilization are extremely valuable anyway, well, those are some pretty big damn markets yeah?

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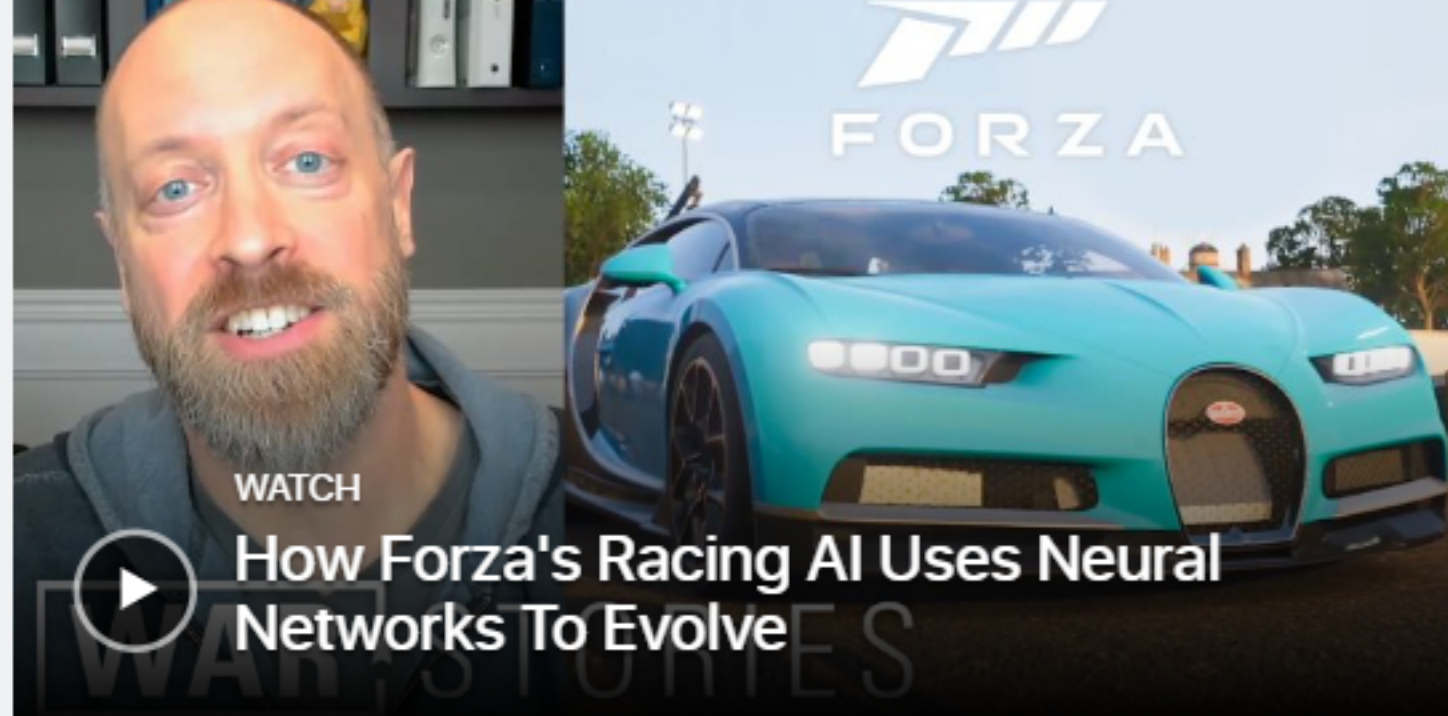
TIMOTHY B. LEE

Timothy is a senior reporter covering tech policy, blockchain technologies and the future of transportation. He lives in Washington DC.

EMAIL timothy.lee@arstechnica.com // TWITTER [@binarybits](#)

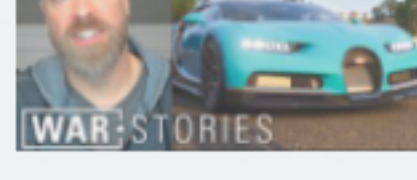
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How Forza's Racing AI Uses Neural Networks To Evolve

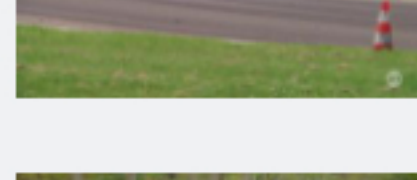
Today on War Stories, Ars Technica is joined by Dan Greenawalt, Creative Director of the Forza franchise, who takes us through the colossal potential (and many challenges) of utilizing deep neural networks to build sophisticated racing AI. Beginning with the original Drivatar AI in Forza Motorsport for XBOX in 2005, Greenawalt and his colleagues experimented with computer learning, refining their methods from iteration to iteration. It was once the AI system was unshackled from local hard drives and placed online in Forza Motorsport 5, however, that the floodgates truly opened. As the AI rapidly evolved, producing unexpected new behaviors, the Forza team quickly learned how challenging it would be to wield this two-edged sword in creating realistic opponents.



How Forza's Racing AI Uses Neural Networks To Evolve



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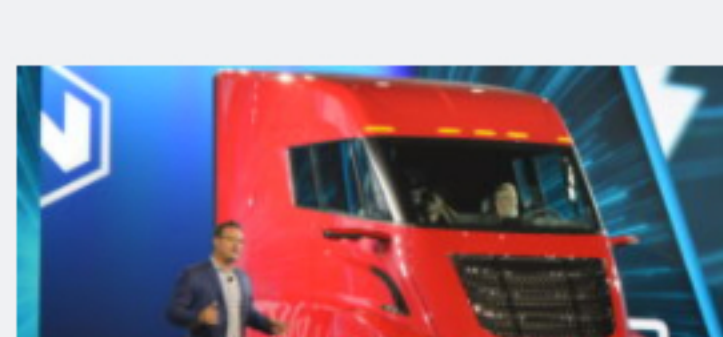
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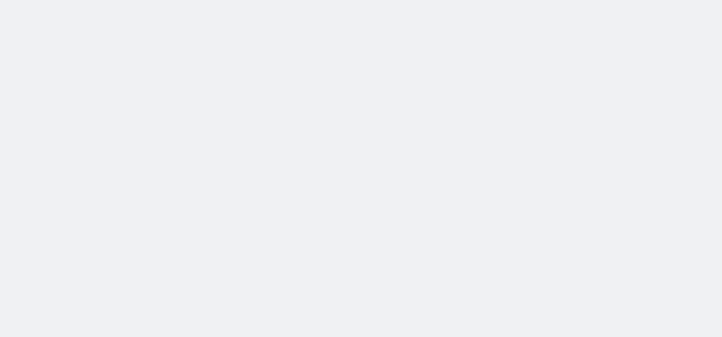
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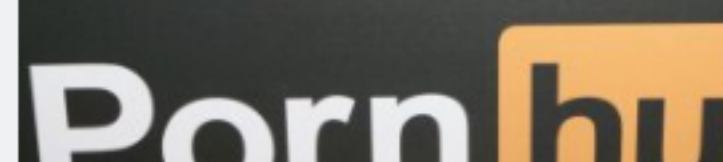


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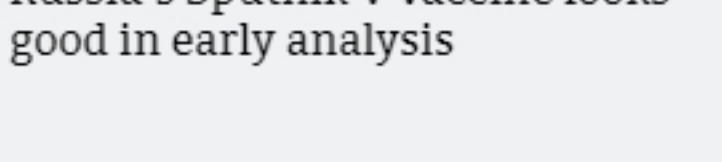
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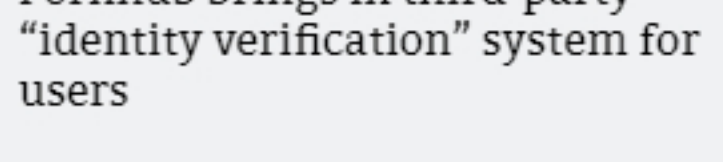
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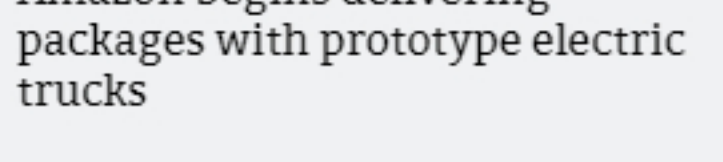
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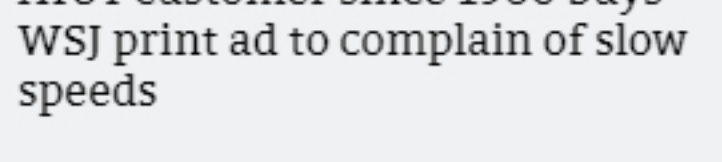
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Whole Mars Catalog @WholeMarsBlog · Jul 6, 2020

If you can, please donate to support Omar's defense against Aaron Greenspan's lawsuit against him, Elon, and Tesla.

Let's use this as an opportunity to show the world the truth about what Tesla short sellers are doing: [@elonmusk](#)

	Aaron Jacob Greenspan
	Smick Enterprises Inc., Elon Musk, Tesla, Inc. and Omar Qazi
r:	3:2020cv03426
	May 20, 2020
	US District Court for the Northern District of California
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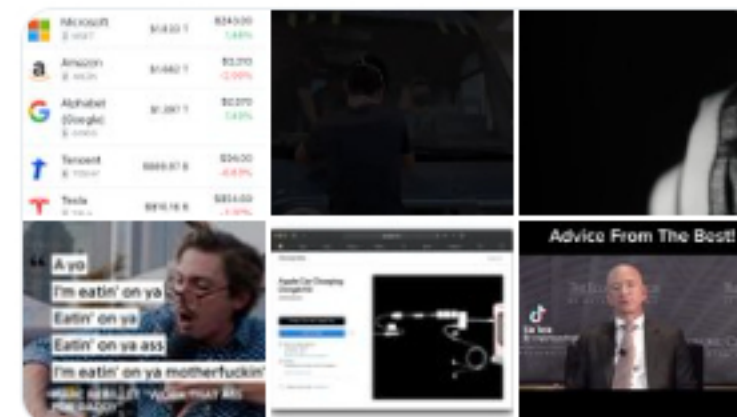


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